



Office of the Attorney General
State of Texas

DAN MORALES
ATTORNEY GENERAL

August 25, 1993

Mr. Jack W. Garrison
Executive Director
Texas Department of Licensing
and Regulation
920 Colorado Street
Austin, Texas 78701

Letter Opinion No. 93-67

Re: Whether section 11(a) of the
Boxing and Wrestling Act, V.T.C.S.
article 8501-1, authorizes the Texas
Department of Licensing and Regulation
to collect a three percent gross receipts
tax on proceeds the promoter obtains
from the sale of television rights
(RQ-584)

Dear Mr. Garrison:

You have asked us to interpret section 11(a) of the Texas Boxing and Wrestling Act (the "act"), V.T.C.S. article 8501-1. Section 11(a) provides as follows:

Any person who conducts a boxing match, contest, or exhibition¹ wherein an admission fee is charged shall furnish to the [Texas Department of Licensing and Regulation] within 72 hours after the termination of the event a duly verified report on a form furnished by the department showing the number of tickets sold, prices charged, and *amount of gross receipts obtained* from the event. A cashier's check or money order made payable to the State of Texas in the amount of three percent of the *total gross receipts* of the event shall be attached to the verified report. [Footnote and emphasis added.]

In particular, you ask whether section 11(a) authorizes the Texas Department of Licensing and Regulation (the "department") to collect from a promoter a three percent gross receipts tax on proceeds the promoter obtains from the sale of the right to televise the match. We conclude that it does not.

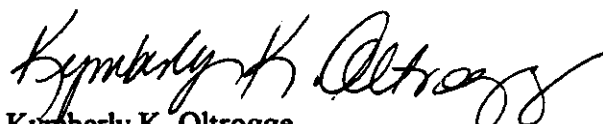
¹Article 8501-1, section 3(9), V.T.C.S., defines "boxing promoter" as "a person to be licensed by the [Texas Department of Licensing and Regulation] who . . . conducts a boxing contest, match, or exhibition."

In essence, your question requires us to determine whether the term "gross receipts obtained from the event," as section 11(a) of the act uses it, includes revenues a promoter receives from the sale of the right to televise the match as well as revenues from sales of admissions to the event. The act itself does not define "gross receipts obtained from the event."² We note, however, that section 11(a) requires a promoter to complete a duly verified report "showing the number of tickets sold, prices charged, and amount of gross receipts obtained from the event." We believe the legislature intended the "amount of gross receipts obtained from the event" to equal the product of the number of tickets sold and the prices charged. If the legislature intended otherwise, we believe that the legislature would have required the promoter to report, as a line item, at least the amount of revenue from a source other than the sale of admissions. Accordingly, we conclude that section 11(a) of the act does not authorize the department to collect a three percent gross receipts tax on proceeds the promoter obtains from the sale of the right to televise the match.

S U M M A R Y

Section 11(a) of the Boxing and Wrestling Act, V.T.C.S. article 8501-1, does not authorize the Texas Department of Licensing and Regulation to collect a three percent gross receipts tax on proceeds the person conducting the boxing match obtains from the sale of the right to televise the match.

Yours very truly,



Kimberly K. Oltrogge
Assistant Attorney General
Opinion Committee

²In Attorney General Opinion MW-316 (1981) this office considered whether the term "gross receipts" as used in the context of article 8501-1, section 11 means "the sum total of all admission charges for a given event." Attorney General Opinion MW-316 (1981) at 1. The question arose from an argument various promoters were making that the three percent gross receipts tax should be calculated on the total receipts after deducting the three percent tax. *Id.* In that context, we concluded that "the term 'gross receipts' as used in section 11(a) of article 8501-1, V.T.C.S., means the sum total of all admission charges for a given event." *Id.* at 2. Because Attorney General Opinion MW-316 considered a question that is not before us here, its definition of "gross receipts" is inapposite.